

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF BLUEGRASS)
WATER UTILITY OPERATING COMPANY, LLC) CASE NO. 2022-00432
FOR ADJUSTMENT OF SEWAGE RATES)**

**BLUEGRASS WATER UTILITY OPERATING COMPANY, LLC’S
RESPONSES TO COMMISSION STAFF’S
FOURTH REQUEST FOR INFORMATION**

Bluegrass Water Utility Operating Company, LLC, (“Bluegrass Water” or the “Company”)
by counsel, files its responses to the Commission Staff’s Fourth Request for Information, issued
in the above-captioned case on July 13, 2023.

FILED: August 2, 2023

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REQUEST NO. 4-14: Refer to Bluegrass Water's response to the Attorney General's First Request, Item 119, Exhibit OAG 1-119 – CONFIDENTIAL BMS Primary Property.

a. Explain whether the premium listed next to TOTAL on page 2 of 184 of the policy represents the total annual cost for the policy, and if not, identify the total annual cost for the policy.

b. If annual cost for the policy is different than the total property insurance expense from which the allocation of expense to Bluegrass Water was determined, explain why.

c. Identify any systems managed by CSWR located in Tier 1 as that term is used on page 38 of 184 of the policy.

d. Provide the "Schedule of Values" referred to on page 8 and 13 of 184 of the policy.

e. Explain the coverage for "Business Income" in the amount of \$32,226,453 and whether the cost for that coverage, or any portion thereof, is passed on to Bluegrass Water's ratepayers.

f. Identify that portion of the premium that is to insure business income, and explain how it was determined.

RESPONSE:

(c) The Rate Matrix (100% Layer Rate) on page 38 of the policy represents a component of the pricing model that applies only to service areas/assets acquired during the coverage period. The tiers exist for premium adjustment purposes only. The term "Tier 1," as is used on page 38 of 184 of the policy, applies to three systems: LA-Imperial Landing, MS-Robinwood Drive, and TX-Oak Hill Estates. As newly acquired systems during 2023, these systems are billed separately from the main policy and are directly billed to the

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**applicable utility operating company; therefore, those costs are not assigned to Bluegrass
Water.**

Witness: Brent Thies